

NEWS – CONGRESSMAN PETE STARK

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NEW HEALTH REFORM TOOL PROMOTES TRANSPARENCY IN PREMIUM INCREASES

WASHINGTON – The Administration this week announced new rules as part of health reform, that force insurers to disclose double-digit premium increases. Consumers will have access to this information when making decisions about what plan to enter. Rep. Pete Stark (D-CA), Ranking Member of the Ways and Means Health Subcommittee, and Rep. Sander Levin (D-MI), Ranking Member of the Ways and Means Committee, today commented on the news:

Rep. Stark: **"Health reform empowers consumers by letting them see how often insurers propose double-digit rate increases.□ Republicans want to repeal this common-sense transparency measure so they can keep consumers in the dark about insurance companies' price gouging."**

Rep. Levin: **"For too long insurance companies have put profits over people and premiums have skyrocketed. Thanks to the new health care law, insurance companies will have to answer to consumers."**

In addition to transparency measures, health reform contains provisions that protect consumers from unjustified rate increases:

- States are receiving \$250 million in grants that improve oversight of proposed premium increases. As part of the latest round of grants, the Administration is giving bonuses to states that enact legislation strengthening states' ability to crack down on premium increases, rather than just exposing the increases.
- The Medical Loss Ratio provision that goes into effect this year limits how much of a consumer's premium dollar can go to profits, bureaucracy, and executive compensation by setting a minimum requirement for how much must be spent on medical care. Consumers in plans that don't spend that minimum on medical care will receive rebates.

For more information, please visit: <http://go.usa.gov/gRa>

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